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## Managing and Mobilizing Microdynamics to Achieve Behavioral Integration in Top Management Teams



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While the strategic leadership literature has examined relationships between top management team characteristics and various types of outcomes, there has been relatively little research on the ways in which these teams' members dynamically interact. In an attempt to shed light on this aspect, we conducted an exploratory study of the dynamics in two top management teams. We focused on interactions between team members and on their inter-relationships during decision-making processes. Our study led us to identify five forms of microdynamics, which we labeled the constellation, the bridge, the triangle, the umbrella and the island. We present each of these microdynamics and discuss their consequences for the team's functioning and for behavioral integration, drawing on our own data, and on examples from other texts (published cases and book chapters, the popular press). Our findings show how each of these microdynamics influences the team's collective processes and how they may interact with each other to produce greater or lesser degrees of behavioral integration within the team. The bridge microdynamic emerges as particularly important in generating greater behavioral integration. Because these microdynamics can yield positive and negative consequences, the way they are managed can play a role in effectively mobilizing team diversity while avoiding counterproductive and detrimental situations.

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### Introduction

Teamwork poses various challenges. These challenges are heightened in top management teams whose purpose is to accomplish strategic work. Their functioning, decision-making processes, and actions are often complex and have consequences for a whole organization. The high stakes associated with their activities often make their work very challenging as well as stressful.

At the same time, top management teams like other groups are social systems. While the individuals in the team may have formal positions that establish expectations of exactly what they will do and how they will work and with whom, natural affinities, personal preferences, relationship histories, knowledge bases and career rivalries also influence how they interact with their colleagues. The particular mix of people around the table makes a difference. Over time, a team may tend to develop idiosyncratic and repetitive interaction patterns that can become quite ingrained and affect patterns of decision making. For example, some top management teams are said to have an "inner circle" where the "real decisions" are made, leaving other team members on the sidelines (Roberto, 2003). Other teams may be traversed by ongoing tensions between certain executives, perhaps stimulated by succession horse races or factional differences (Li and Hambrick, 2005). Sometimes, particular individuals in the team seem to always end up on the wrong side of every debate. Other individuals always seem to be smoothing things over. Sometimes, the team may include people in explicit or implicit mentor-protégé relationships that could affect how both parties behave and are treated by others in the team (Collins and Clark, 2003).

In the study presented here, our research question was as follows: How do the members of top management teams (TMTs) actually interact as they go about the work of guiding the organisation and making decisions together? Upper echelons theorists have argued that the diverse viewpoints held by TMT members provide the requisite variety (Ashby, 1956) and range of decision-relevant information that can lead to higher performance (Simons et al., 1999). However, a diverse TMT may be necessary but not sufficient: the rich pool of information that exists as a potential within the TMT must be surfaced, shared and processed (Kauer et al., 2007). How does this happen? What explains whether or not it occurs?

Based on our findings, we argue in this paper that interactions between TMT members – or, as we shall call them, *microdynamics* – represent important, but often neglected processes in top management teams. These microdynamics are made up of the interactions, relations and interpersonal processes that occur as a TMT goes about its work. As their name

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suggests, microdynamics describe a dynamic phenomenon involving two or more actors engaged in an evolving process; they are not to be equated with the more static concept of roles found in the social psychology literature and literature on organizations (e.g., [Katz and Kahn, 1978](#); [Mintzberg, 1973](#)). We explore the variety of microdynamics that may occur, as well as their positive consequences and potential drawbacks. We suggest that a managed set of microdynamics can contribute to better decision-making, and to what [Hambrick \(1994\)](#) has labeled “behavioral integration”.

The paper begins by reviewing the literature on strategic leadership, noting that much of it has either focused on the person of the CEO as an individual leader, or on the characteristics of the top team as a whole, without considering the team as a composite phenomenon made up of a group of individuals interacting in various ways. We then draw on an in-depth empirical study in two organizations in health care to examine and illustrate a variety of microdynamics observed in practice. Each microdynamic is first considered as a standalone process, and its implications for interpersonal relations (such as affinities, conflicts and consensus), information flows, and power and influence processes are explored. We then draw on our cases to show how these microdynamics might be effectively mobilized in combination in order to achieve greater behavioral integration.

## Research on strategic leadership and top management teams

[Hambrick and Mason's \(1984\)](#) seminal article on the organization's upper echelons sparked a substantial and still ongoing stream of research on top management team (TMT) diversity and its impact on organizational decision-making and performance. The central and intuitively attractive idea behind this stream of research is that informational and cognitive diversity within the top team (based for example on different experiences, educational backgrounds and cognitive styles) should make constructive disagreement over diverse perspectives possible, and thus render strategic decision-making process more comprehensive and effective ([Carpenter et al., 2004](#); [Certo et al., 2006](#); [Hambrick and Mason, 1984](#)).

However, despite the attractiveness of the idea evidence for the benefits of diversity has been mixed ([Buyl et al., 2011, 2013](#); [Cannella et al., 2008](#); [Nielsen, 2010](#)). One reason for this may be that diversity is hard to measure directly; so, researchers have used top team members' demographic characteristics, readily available in public data bases, as proxies for underlying differences in cognitions, values and beliefs ([Priem et al., 1999](#)). As a result, most of the early work on TMTs was archival. Some significant relationships have been established over the last 25 years between TMT demographics and organizational outcomes, such as innovation, diversification and performance ([Bantel and Jackson, 1989](#); [Boeker, 1997](#); [Hambrick et al., 1993](#)). However, overall, inconsistent findings in this stream of research have strongly suggested that the mere presence of a given expertise or perspective within a management group does not necessarily lead to the mobilization of that resource in the decision-making process. As some have suggested, the link between demographic and cognitive diversity, and thus organizational outcomes, may be more complex than originally thought. For example, [Carpenter et al. \(2004\)](#) caution “it is critical to recall that the practice of using demographic proxies is only a methodological convenience. Demography is used to proxy larger, complex, and hard-to-get-at constructs. Demography itself is not the key theoretical driver of strategic processes and choices” (p. 772).

Others have underlined the “resounding non-findings” ([West and Schwenk, 1996](#)) in this literature, and urged researchers to look elsewhere given the limitations to this approach. For example, [Carpenter et al. \(2004\)](#) have encouraged researchers to “supplement simplistic measures of demographic profiles with richer measures of mechanisms and processes that affect top management cognition, values, and perceptions and, consequently, strategic choices” (p. 772). As a result, there has been growing research interest in team processes involved in TMT decision-making, such as debate, consensus building and power dynamics, and their impact on decision quality and outcomes ([Amason, 1999](#); [Finkelstein, 1992](#); [Jarzabkowski and Searle, 2004](#); [Olson et al., 2007](#); [Simons et al., 1999](#)). These streams of research have confirmed and extended what we know of the effects of TMT demographics on strategic orientations, but the portrait they have provided of how top management teams actually operate generally remains thin.

In fact, qualitative studies still remain the exception in TMT research despite repeated calls for researchers to open up the black box of TMT processes by integrating more fine-grained, more informed and more interesting qualitative research ([Buyl et al., 2011, 2013](#); [Carpenter et al., 2004](#); [Lawrence, 1997](#); [Nielsen, 2010](#)). Moreover, since most researchers consider TMTs to be aggregate entities, they do not explore issues such as information and power asymmetries, and in particular how these play themselves out in the teams. Indeed, the processes studied in much of the research described above are usually transformed into one time coarse-grained variable representations that limit understanding of the interactions and evolving processes involved and that offer little chance of capturing the complex nature of TMT dynamics. Finally, while earlier studies using archival data had the advantage of accessing information about the entire TMT (often defined as the CEO and the executives – often the vice presidents – one level below), they were ill-suited to studying processes. For their part, more recent survey studies rarely obtain data from intact teams, and often only access the CEO and/or a limited number of TMT members ([Auh and Menguc, 2005](#); [Carmeli and Schaubroeck, 2006](#); [Mueller et al., 2007](#); [Parayitam and Dooley, 2007](#); [Simsek et al., 2005](#)), rendering their conclusions about team processes fragile. Moreover, they also simply assess TMT processes through static variable-based representations measured at single points in time.

So, while there is firm evidence pointing to the importance of internal team processes for TMTs to work together effectively, the “how” questions remain mysterious. As the volume of such research has grown, “so too [has] the call for research that goes inside the “black box” of the upper echelons,” ([Carpenter et al., 2004, 763](#)) and lack of knowledge about TMT processes is a recurring limitation ([Lawrence, 1997](#)). As [Nielsen \(2010\)](#) points out in her meta-analysis, “It is difficult to find

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